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DEPARTMENT OF COMMERCE

International Trade Administration

(A-570-024)

Certain Polyethylene Terephthalate Resin from the People's Republic of China: Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: Effective Date: **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

SUMMARY: The Department of Commerce (the Department) preliminarily determines that certain polyethylene terephthalate resin (PET resin) from the People's Republic of China (PRC) is being, or is likely to be, sold in the United States at less than fair value (LTFV), as provided in section 733 of the Tariff Act of 1930, as amended (the Act). The period of investigation (POI) is July 1, 2014, through December 31, 2014. The estimated margins of sales at LTFV are shown in the "Preliminary Determination" section of this notice. Interested parties are invited to comment on this preliminary determination.

FOR FURTHER INFORMATION CONTACT: Steve Bezirgianian or Tyler Weinhold, AD/CVD Operations, Office VI, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-1131 or (202) 482-1121, respectively.

SUPPLEMENTARY INFORMATION:

Background

The Department published the notice of initiation of this investigation on April 6, 2015.¹ Pursuant to section 733(c)(1)(A) of the Act, the Department postponed this preliminary LTFV determination by 50 days until October 6, 2015.²

Scope of the Investigation

The merchandise covered by this investigation is polyethylene terephthalate (PET) resin. The merchandise subject to this investigation is properly classified under subheading 3907.60.00.30 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheading is provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.

For a full description of the scope of this investigation, see the Preliminary Decision Memorandum hereby adopted by this notice.³ The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the

¹ See Certain Polyethylene Terephthalate Resin From Canada, the People's Republic of China, India, and the Sultanate of Oman: Initiation of Less-Than-Fair-Value Investigations, 80 FR 18376 (April 6, 2015) (Initiation Notice).

² See Certain Polyethylene Terephthalate Resin from Canada, the People's Republic of China, India, and the Sultanate of Oman: Postponement of Preliminary Determinations of Antidumping Duty Investigations, 80 FR 45640 (July 31, 2015).

³ See "Decision Memorandum for the Preliminary Determination of the Antidumping Duty Investigation of Certain Polyethylene Terephthalate Resin from the People's Republic of China from the People's Republic of China," from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, dated concurrently with this notice (Preliminary Decision Memorandum).

Internet at <http://trade.gov/enforcement/frn/>. The signed Preliminary Decision Memorandum and the electronic version of the Preliminary Decision Memorandum are identical in content.

Scope Comments

The Initiation Notice provided interested parties an opportunity to raise issues regarding product coverage (scope). However, no interested party provided scope comments.

Methodology

The Department is conducting this investigation in accordance with section 731 of the Act. We calculated export prices and constructed export prices in accordance with section 772 of the Act. Because the PRC is a non-market economy within the meaning of section 771(18) of the Act, normal value (NV) was calculated in accordance with section 773(c) of the Act. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum hereby adopted by this notice.

Combination Rates

In the Initiation Notice,⁴ the Department stated that it would calculate combination rates for the respondents that are eligible for a separate rate in this investigation. Policy Bulletin 05.1 describes this practice.⁵

Preliminary Determination

The Department preliminarily determines that the following weighted-average dumping margins exist during the period July 1, 2014, through December 31, 2014:

⁴ See Initiation Notice, 80 FR at 18381-82.

⁵ See Enforcement and Compliance's Policy Bulletin No. 05.1, regarding, "Separate-Rates Practice and Application of Combination Rates in Antidumping Investigations involving Non-Market Economy Countries," (April 5, 2005) (Policy Bulletin 05.1), available on the Department's Web site at <http://enforcement.trade.gov/policy/bull05-1.pdf>.

Exporter	Producer	Weighted-Average Margin (percent)
Far Eastern Industries (Shanghai) Ltd. or Oriental Industries (Suzhou) Limited	Far Eastern Industries (Shanghai) Ltd. or Oriental Industries (Suzhou) Limited	125.12
Jiangyin Xingyu New Material Co., Ltd. or Jiangsu Xingye Plastic Co., Ltd. or Jiangyin Xingjia Plastic Co., Ltd. or Jiangyin Xingtai New Material Co., Ltd. or Jiangsu Xingye Polytech Co., Ltd.	Jiangyin Xingyu New Material Co., Ltd. or Jiangsu Xingye Plastic Co., Ltd. or Jiangyin Xingjia Plastic Co., Ltd. or Jiangyin Xingtai New Material Co., Ltd. or Jiangsu Xingye Polytech Co., Ltd.	131.16
Dragon Special Resin (XIAMEN) Co., Ltd.	Hainan Yisheng Petrochemical Co., Ltd.	129.42
Hainan Yisheng Petrochemical Co., Ltd.	Zhejiang Wankai New Materials Co., Ltd.	129.42
Shanghai Hengyi Polyester Fiber Co., Ltd.	Dragon Special Resin (XIAMEN) Co., Ltd.	129.42
Zhejiang Wankai New Materials Co., Ltd.	Shanghai Hengyi Polyester Fiber Co., Ltd.	129.42
PRC-Wide Entity		145.94

Disclosure and Public Comment

We intend to disclose the calculations performed to parties in this proceeding within five days after public announcement of the preliminary determination in accordance with 19 CFR 351.224(b). Case briefs or other written comments may be submitted to the Assistant Secretary for Enforcement and Compliance no later than seven days after the date on which the final verification report is issued in this proceeding and rebuttal briefs, limited to issues raised in case briefs, may be submitted no later than five days after the deadline date for case briefs.⁶ Pursuant to 19 CFR 351.309(c)(2) and (d)(2), parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to submit with each argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

⁶ See 19 CFR 351.309; see also 19 CFR 351.303 (for general filing requirements).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S. Department of Commerce, filed electronically using ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, ACCESS, by 5:00 p.m. Eastern Time, within 30 days after the date of publication of this notice.⁷ Hearing requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues parties intend to present at the hearing. If a request for a hearing is made, the Department intends to hold the hearing at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined. Prior to the date of the hearing, the Department will contact all parties that submitted case or rebuttal brief to determine if they wish to participate in the hearing. The Department will then distribute a hearing schedule to the parties prior to the hearing and only those parties listed on the schedule may present issues raised in their briefs.

Suspension of Liquidation

In accordance with section 733(d)(2) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to suspend liquidation of all entries of PET resin from the PRC, as described in the "Scope of the Investigation" section, entered, or withdrawn from warehouse, for consumption on or after the date of publication of this notice in the **Federal Register**.

Pursuant to 19 CFR 351.205(d), the Department will instruct CBP to require a cash deposit⁸ equal to the weighted-average amount by which NV exceeds U.S. price, adjusted where

⁷ See 19 CFR 351.310(c).

⁸ See Modification of Regulations Regarding the Practice of Accepting Bonds During the Provisional Measures Period in Antidumping and Countervailing Duty Investigations, 76 FR 61042 (October 3, 2011).

appropriate for export subsidies and estimated domestic subsidy pass-through,⁹ as follows: (1) the cash deposit rate for the exporter/producer combinations listed in the table above will be the rate the Department determines in this preliminary determination; (2) for all combinations of PRC exporters/producers of merchandise under consideration that have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate established for the PRC-wide entity; and (3) for all non-PRC exporters of merchandise under consideration which have not received their own separate rate above, the cash-deposit rate will be the cash deposit rate applicable to the PRC exporter/producer combination that supplied that non-PRC exporter.

As stated previously, we will adjust cash deposit rates by the amount of export subsidies, where appropriate. In the companion CVD investigation, Jiangyin Xingyu New Material Co., Ltd., Jiangsu Xingye Plastic Co., Ltd., Jiangyin Xingjia Plastic Co., Ltd., Jiangyin Xingtai New Material Co., Ltd., and Jiangsu Xingye Polytech Co., Ltd. (collectively “Xingyu Group”) received a calculated export subsidy rate of 0.80 percent, and, thus, we will offset the calculated rate for the Xingyu Group by 0.80 percent. Far Eastern Industries (Shanghai) Ltd. and Oriental Industries (Suzhou) Limited (collectively “FEIS Group”) was not a mandatory respondent in the companion CVD investigation, so we will offset the calculated rate for the FEIS Group by 1.83 percent, the average of the export subsidy rates for the two mandatory respondents in the companion CVD investigation. Dragon Special Resin (XIAMEN) Co., Ltd., one of the separate rate companies, was a mandatory respondent in the companion CVD investigation and received a calculated export subsidy rate of 2.85 percent, and , thus, we will offset the calculated rate for Dragon by 2.85 percent. The other separate rate companies were not mandatory respondents in

⁹ See sections 772(c)(1)(C) and 777A(f) of the Act, respectively. Unlike in administrative reviews, the Department calculates the adjustment for export subsidies in investigations not in the margin calculation program, but in the cash deposit instructions issued to CBP. See, e.g., Notice of Final Determination of Sales at Less Than Fair Value, and Negative Determination of Critical Circumstances: Certain Lined Paper Products from India, 71 FR 45012 (August 8, 2006), and accompanying Issues and Decision Memorandum at Comment 1.

the companion CVD investigation, so we will offset the calculated rate for each of them by 1.83 percent, the average of the export subsidy rates for the two mandatory respondents in the companion CVD investigation. Finally, we are adjusting the cash deposit rate for the PRC-wide entity by 0.80 percent, the lowest adjustment for any party in the companion CVD investigation.¹⁰

Pursuant to 777A(f) of the Act, we are also adjusting preliminary cash deposit rates for estimated domestic subsidy pass-through, where appropriate. We will adjust the Xingyu Group's by 0.91 percent, but we are not adjusting the rate for the FEIS Group because it failed to justify such an adjustment. We are adjusting the rates for each of the other separate rate companies by 1.83 percent. Finally, we are not adjusting the PRC-wide entity's rate for estimated domestic subsidy pass-through.¹¹

Postponement of Final Determination and Extension of Provisional Measures

Section 735(a)(2) of the Act provides that a final determination may be postponed until not later than 135 days after the date of the publication of the preliminary determination if, in the event of an affirmative preliminary determination by the Department, a request for such postponement is made by exporters who account for a significant proportion of exports of the subject merchandise, or in the event of a negative preliminary determination by the Department, a request for such postponement is made by the petitioner. 19 CFR 351.210(e)(2) requires that requests by respondents for postponement of a final antidumping determination be accompanied by a request for extension of provisional measures from a four-month period to a period not more than six months in duration.

¹⁰ See Preliminary Decision Memorandum.

¹¹ Id.

In a joint letter dated September 30, 2015, Xingyu, Xingye, Dragon, Hainan Yisheng Petrochemical Co., Ltd., Zhejiang Wankai New Materials Co., Ltd., and Shanghai Hengyi Polyester Fiber Co., Ltd. requested that, in the event of an affirmative preliminary determination in this investigation, the Department postpone its final determination by 60 days (i.e., to 135 days after publication of the preliminary determination) pursuant to section 735(a)(2)(A) and 19 CFR 351.210(b)(2)(ii), and agreed to extend the application of the provisional measures prescribed under section 733(d) of the Act and 19 CFR 351.210(e)(2), from a four-month period to a period not to exceed six months.¹² In a letter dated October 2, 2015, FEIS requested the same.¹³

In accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and (e)(2), because (1) our preliminary determination is affirmative; (2) the requesting exporters account for a significant proportion of exports of the subject merchandise; and (3) no compelling reasons for denial exist, we are postponing the final determination and extending the provisional measures from a four-month period to a period not greater than six months. Accordingly, we will make our final determination no later than 135 days after the date of publication of this preliminary determination, pursuant to section 735(a)(2) of the Act.¹⁴

International Trade Commission (ITC) Notification

In accordance with section 733(f) of the Act, we will notify the ITC of our affirmative preliminary determination of sales at LTFV. Because the preliminary determination in this proceeding is affirmative, section 735(b)(2) of the Act requires that the ITC make its final determination whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports of PET resin from the PRC before the later

¹² See letter to the Secretary dated September 30, 2015.

¹³ See letter to the Secretary dated October 2, 2015.

¹⁴ See also 19 CFR 351.210(e).

of 120 days after the date of this preliminary determination or 45 days after our final determination. Because we are postponing the deadline for our final determination to 135 days from the date of publication of this preliminary determination, as discussed above, the ITC will make its final determination no later than 45 days after our final determination.

This determination is issued and published in accordance with sections 733(f) and 777(i)(1) of the Act and 19 CFR 351.205(c).

Dated: October 6, 2015.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

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